

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA,	)	
	)	Case No. 18-CV-11559
Plaintiff,	)	
	)	
v.	)	
	)	
RANDY J. CHAFFEE,	)	
STATE OF MICHIGAN, and	)	
OTSEGO COUNTY,	)	
	)	
Defendants.	)	
_____	)	

**COMPLAINT**

The United States of America, pursuant to the provisions of 26 U.S.C. §§ 7401 and 7403, with the authorization of a delegate of the Secretary of the Treasury and at the direction of a delegate of the Attorney General of the United States, brings this civil action to reduce to judgment certain outstanding federal tax liabilities assessed against Defendant Randy Chaffee and to enforce the federal tax liens on the real property located at 1794 McGregor Road, Vanderbilt, Michigan 49795.

**Jurisdiction, Venue, Parties, and Property**

1. Jurisdiction over this action is conferred upon the district court by 28 U.S.C. §§ 1331, 1340 and 1345, and 26 U.S.C. §§ 7402(a) and 7403.
2. Venue is proper under 28 U.S.C. §§ 1391(b) and 1396.

3. Defendant Randy Chaffee resides in Vanderbilt, Michigan within the jurisdiction of this Court.

4. The property located at 1794 McGregor Road, Vanderbilt, Michigan 49795 (the “Property”) upon which the United States seeks to enforce its federal tax lien is within the jurisdiction of this Court. The Property is situated in the Township of Corwith, County of Otsego, State of Michigan and is more particularly described as follows:

Commencing at the Southeast corner of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section Seventeen (17), T32N, R3W, thence West along the South section line a distance of 160 feet, thence North a distance of 272.25 feet, thence East a distance of 160 feet, thence South a distance of 272.25 feet to the point of beginning, containing one (1) acre, more or less.

5. On June 11, 1986, Donald Chaffee and Joan Chaffee quitclaimed the Property to Defendant Randy Chaffee and Dawn Chaffee as husband and wife.

6. On March 12, 2002, Donald L. Chaffee, Trustee of the Donald L. Chaffee Revocable Trust and Joan Chaffee, Trustee of the Joan Chaffee Revocable Trust quit claimed the Property to Defendant Randy Chaffee and Dawn Chaffee as husband and wife.

7. On August 27, 2015, Dawn Chaffee quit claimed all of her interest in the Property to Defendant Randy Chaffee.

8. Defendant State of Michigan is named as a defendant to this action pursuant to 26 U.S.C. § 7403(b) because it has or may claim an interest in the Property.

9. Defendant Otsego County is named as a defendant to this action pursuant to 26 U.S.C. § 7403(b) because it has or may claim an interest in the Property.

***Count I: To Reduce Unpaid Income Tax  
Liabilities to Judgment against Defendant Randy Chaffee***

10. The United States incorporates by reference paragraphs 1-9, above.

11. For the tax years at issue in this case, Defendant Randy Chaffee was in the business of performing excavation work and earned income from his business activities.

12. For the tax years from 2003 through 2008, dependent upon the year, Defendant Randy Chaffee filed no federal income tax return or false federal income tax return showing a zero tax liability.

13. On the dates set forth in the table below, a delegate of the Secretary of the Treasury made assessments against Defendant Randy Chaffee of (i) federal income taxes, including interest, (ii) failure to pay tax penalties, (iii) late filing penalties, and (iv) IRC § 6662 accuracy penalties for the tax periods described below:

<b>Tax Period</b>	<b>Assessment Date</b>	<b>Balance Due as of 5/2/2018</b>
12/31/2003	11/1/2010	\$7,440.37
12/31/2004	11/17/2008, 9/27/2010, 4/30/2012, 5/6/2013	\$5,748.53
12/31/2005	3/8/2010, 4/30/2012	\$4,043.03
12/31/2006	9/29/2008, 9/20/2010	\$2,169.94
12/31/2007	8/1/2011, 4/30/2012, 5/6/2013	\$1,485.41
12/31/2008	12/12/2011, 5/6/2013	\$3,372.69
<b>Total as of 5/2/2018</b>		<b>\$24,259.97</b>

14.A delegate of the Secretary of the Treasury gave notice to Defendant Randy Chaffee of the unpaid income tax assessments described in paragraph 13 above, and made demand for payment upon the same.

15.Despite such notice and demand, Defendant Randy Chaffee failed, neglected, or refused to pay in full the amount of the assessments described in paragraph 13 above.

16.Defendant Randy Chaffee refused to provide any financial information to the IRS collection officer who visited Mr. Chaffee in February of 2014.

17.Defendant Randy Chaffee also refused to comply with the IRS's collection summons by raising in his two letters to the IRS (dated July 7, 2014 and July 21, 2014) frivolous arguments that he "legally-established" his status as "a non-taxpayer" by filing his "AFFIDAVIT OF REVOCATION AND RESCESSION,"

that the IRS summons was not applicable to him, and by threatening the IRS collection officer with fines and dismissal from office.

***Count II: To Reduce Defendant Randy Chaffee's Penalties for Frivolous Tax Submissions to Judgment against Defendant Randy Chaffee***

18. The United States incorporates by reference paragraphs 1-17, above.

19. On the dates set forth in the table below, a delegate of the Secretary of the Treasury made assessments against Defendant Randy Chaffee pursuant to 26 U.S.C. § 6702 for making frivolous tax submissions with respect to the following tax years:

<b>Tax Period</b>	<b>Assessment Date</b>	<b>Balance Due as of 5/2/2018</b>
12/31/1998	1/4/2010	\$6,674.09
12/31/2000	1/4/2010, 1/10/2011	\$13,051.73
12/31/2001	1/4/2010, 7/19/2010	\$13,173.77
12/31/2002	1/4/2010, 7/19/2010	\$13,173.77
12/31/2003	1/4/2010	\$6,657.59
12/31/2004	1/4/2010	\$6,657.59
12/31/2005	3/16/2009, 3/23/2009	\$13,750.24
12/31/2006	3/16/2009	\$27,513.68
12/31/2007	4/27/2009, 5/24/2010	\$102,372.45
12/31/2008	3/23/2009	\$20,615.50
<b>Total as of 5/2/2018</b>		<b>\$223,640.41</b>

20. A delegate of the Secretary of the Treasury gave notice to Defendant Randy Chaffee of the unpaid penalties assessments described in paragraph 19 above, and made demand for payment upon the same.

21. Despite such notice and demand, Defendant Randy Chaffee failed, neglected, or refused to pay in full the amount of the assessments described in paragraph 19 above.

**Count III: To Enforce Federal Tax Liens Against the Property**

22. The United States incorporates by reference paragraphs 1-21, above.

23. The failure, neglect, or refusal of Defendant Randy Chaffee to pay the taxes and penalties assessed against him as described in paragraphs 13 and 19 above following notice and demand for payment of the same, gave rise, as of the dates of the assessments, to liens in favor of the United States, pursuant to 26 U.S.C. §§ 6321 and 6322, upon all of the property and rights to property of Randy Chaffee. Additional unassessed interest, penalties, and other statutory additions as provided by law continue to accrue on these balances on and after May 2, 2018.

24. On November 23, 2009, a Notice of Federal Tax Lien was filed with the Otsego County Register of Deeds against Defendant Randy Chaffee for his unpaid federal income tax liability for the tax year 2006 and for the 26 U.S.C. § 6702 penalties for the tax years 2005 through 2008.

25. On March 28, 2011, a Notice of Federal Tax Lien was filed with the Otsego County Register of Deeds against Defendant Randy Chaffee for his unpaid federal income tax liability for the tax years 2003 through 2005 and for the 26 U.S.C. § 6702 penalties for the tax years 1998, and 2000 through 2004.

26. On November 16, 2011, a Notice of Federal Tax Lien was filed with the Otsego County Register of Deeds against Defendant Randy Chaffee for his unpaid federal income tax liability for the tax year 2007.

27. On March 3, 2014, a Notice of Federal Tax Lien was filed with the Otsego County Register of Deeds against Defendant Randy Chaffee for his unpaid federal income tax liability for the tax year 2008.

**WHEREFORE**, the United States respectfully requests the following relief:

- A. Judgment in favor of the United States and against Defendant Randy Chaffee in the amount of \$24,259.97 as of May 2, 2018, plus statutory additions and interest on that amount from and after May 2, 2018 according to law, including interest pursuant to 26 U.S.C. §§ 6601, 6621, and 6622, and 28 U.S.C. § 1961(c) for his unpaid federal income tax liabilities for the tax years 2003 through 2008;
- B. Judgment in favor of the United States and against Defendant Randy Chaffee in the amount of \$223,640.41 as of May 2, 2018, plus statutory additions and interest on that amount from and after May 2, 2018 according to law, including interest pursuant to 26 U.S.C. §§ 6601, 6621, and 6622, and 28 U.S.C. § 1961(c) for his unpaid penalties assessed pursuant to 26 U.S.C. § 6702 for the tax years 1998, and 2000 through 2008;

C. Judgment that the United States has valid and subsisting liens under 26

U.S.C. § 6321 upon all property and rights to property of Defendant Randy Chaffee, including the Property;

D. Judgment that the Property be sold by the United States, free and clear of

any rights, titles, claims, liens and interest of the parties, including any right of redemption, and the proceeds of the sale be distributed, after the payment of the cost of sale and any real estate taxes due and owing under 26 U.S.C.

§ 6323(b)(6), to the United States and any other parties in accordance to law, or as otherwise ordered by the Court;

E. Judgment that the United States shall be granted any other relief the Court deems just and proper.

RICHARD E. ZUCKERMAN  
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